

Think News



Hartmann Newsletter
September 2018

*You don't need to be an
egghead to think
outside the box.*



Meet Hartmann's new leader

New CEO Torben Rosenkrantz-Theil outlines his vision for Hartmann and our customers. **Page 2**



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Thoughts
from
the Editor



Ute Scamperle
European Customer
Marketing Manager

In this issue of Think News we look into some big changes. Firstly, Hartmann has appointed Torben Rosenkrantz-Theil as our new CEO after former CEO Ulrik Kolding Hartvig tragically passed away in February. We caught up with Torben in the middle of his busy schedule to ask him about his vision for the company and our customers, and get a picture of what we can all look forward to in the near future.

Secondly, we look into market trends for animal welfare, organic production and genetic modification that are provoking some interesting and ingenious responses from our egg-producer customers.

Finally, we profile the work of Peter High of High Marketing Ltd. in Auckland, who has established Hartmann in New Zealand and Australia, even though we have no production facilities down under.

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Delivering on our promises

Meet our new CEO

CEO of Brødrene Hartmann A/S since March 2018, Torben Rosenkrantz-Theil gives us a personal view of what it's like at the helm of the world's leading company in moulded fibre egg and fruit packaging and related technology.

How have your first months as CEO been?

So far, exciting, educational and rather busy. While it was an honour to be made CEO, it was also sad to take over after the untimely death of my friend, former CEO Ulrik Kolding Hartvig. But, despite this difficult time, Hartmann has shown great strength and resilience in continuing to deliver on our promises to our customers.

What have you learned so far?

I've been with Hartmann since 2007 so I know our organisation, customers, markets and partners really well. My leadership experience prepared me well for the commercial and production-related aspects of being CEO. But I've also taken on new responsibilities. I



We're expanding capacity to meet growing demand for sustainable moulded fibre packaging.

represent Hartmann in the ongoing dialogue with our owners, the stock market, banks, and I'm always meeting new people who are interested in our company.

What can customers expect under your leadership?

In short, constant improvements which help our customers optimise sales and raise profitability. We'll

continue investing in capacity to meet customer demand for efficient, sustainable packaging and great marketing.

How does this help Hartmann stand out from the competition?

As leading specialists in moulded fibre packaging for eggs and fruit – along with supporting production technology – our products and expertise meet customer needs throughout the entire value chain. We have a deep understanding of our customers' markets. We observe market trends and see how they affect consumer behaviour. And we share all of this knowledge with our customers.

How do customers benefit from the fact that Hartmann develops and builds its own machinery?

Since 1936, we have been designing and building machinery for our own moulded fibre production and for packaging manufacturers worldwide. We really know how to optimise production for our technology customers so their production runs are smooth and output high, while emissions, the consumption of energy and water, and the risk of accidents are low. At the same time, egg producers get high-quality egg cartons which ensure great machine runability, less downtime, fewer broken eggs and, of course, a low carbon footprint.

What is your view of customers moving away from plastic to moulded fibre packaging?

We're seeing a shift towards moulded fibre, particularly in Europe and North America. Consumers are expressing growing concern at the threat plastic waste poses to marine life – not to mention its negative impact on human

societies. Our mission is to provide an environmentally friendly alternative to plastic packaging for retailers and consumers. To that end, we will be continually adding production capacity, so that egg producers, packers and retailers can choose moulded fibre packaging.

Formerly head of European and North American markets, now you're CEO, how do you see opportunities for our business in South America and other markets?

We're really making strides in South America where we operate under the name Sanovo Greenpack. Globally, there are plenty of opportunities for a company focused on efficiency, sustainability and customer satisfaction in egg and fruit packaging. We already serve customers outside our main markets and see further opportunities in regions where supermarket chains, egg consumption and populations are on the rise.

What innovations can we expect in the near future?

The latest market and consumer studies give us new insights into how we can help egg producers and retailers improve sales and profitability. For example, the latest printing technology for imagic²® boasts eye-catching effects for truly show-stopping label design.

How do you think the egg packaging market and Hartmann will look in the near future?

Simply put, I think more people will be eating more eggs. Retail expansion will increase sales of egg packaging. More people will choose paper over plastic packaging. And Hartmann will remain a rock-solid partner with a long-term commitment to its customers and investors.



At Hartmann since 2007, Torben knows the territory.

Farm Tojás says 'no!' to GMO

Genetically modified organism (GMO)-free products are a familiar sight on the supermarket shelves of many Western European countries. But marketing trends know no borders, and the trend has now reached Hungary.

While there is no conclusive evidence of a food safety issue, many people feel uncomfortable with the idea of eating eggs produced by chickens raised on GMO feed. With these consumers in mind, Farm Tojás is the first company to introduce GMO-free eggs onto the Hungarian market. And

as an extra incentive to consumers, Farm Tojás makes sure that both feed and water are free from antibiotics too.

Farm Tojás needed to tell this story clearly on their egg cartons. They

chose a green imagic® for its natural look and ability to stand out from the competition. Then they developed a bold, eye-catching logo that would announce its presence in supermarkets throughout Hungary.

GMO-free - it's genius!



The label reads: Hens raised on GMO-free and antibiotic-free feed.

Time to stop throwing out plastics

Cheap, lightweight and convenient. Plastic can be moulded into almost any shape. That makes it perfect for packaging, right?

Not quite. All of the companies featured in this issue choose moulded fibre packaging for very good reasons. The problem is that plastics are durable – so durable that they take between 500 and 1000 years to break down. And there are global consequences.

- 40% of all plastic is used for packaging
- 33% of all US waste is plastic
- 9% of plastic waste is recycled
- 12% is burnt
- 79% sticks around

Plastic has saturated our environment, invaded the animals we eat and is now finding its way into our bodies.

- 8 million tonnes a year end up in the ocean
- By 2050, plastic will outweigh all the fish in the ocean
- 80% of babies and nearly all adults have traces of phthalates, a common additive in plastic, in their bodies

- 93% of people have bisphenol A (BPA) in their urine, which can interfere with their hormones.

Clean Seas campaign

The UN is currently running an awareness campaign called Clean Seas. You can find out more at cleanseas.org. And we'll look at some of the actions we can take as companies or individuals in the next issue of Think News.

Source: Kurzgesagt - in a Nutshell, in collaboration with the UN Environment Clean Seas Campaign

Why the growth in demand for organic eggs?



Danæg sees the Hartmann imagic²⁰ as the ideal vehicle for showcasing the new organic label design. Not only is the Hartmann egg carton biodegradable and FSC® certified but it also provides the perfect canvas for Danæg's label artwork and messaging.

Part of the answer is growing concern for animal welfare among a public with greater access to information about farming practices. But there is also a burgeoning discussion about the content of the eggs themselves.

According to Mother Earth News*, organic eggs contain twice the amount of omega-3, a third of the cholesterol and a quarter of the saturated fat compared to eggs from conventionally raised chickens. And this certainly seems

to have hit home on the Danish market. The 2017 IEC Review revealed that 26% of Denmark's total egg production is now organic, making Denmark the world leader in organic egg production. And Danish egg producer Danæg is one of the principle producers, offering a range of organic eggs of various sizes available in packs of 6, 10 or 15.

Capturing the freedom of chickens on the label

Danæg demands organic farming from day one and goes well beyond the



"Hartmann's consumer segmentation study conducted by GfK* gave us valuable insights into why shoppers were selecting organic eggs. We used these insights to help us create a new label design that would stop shoppers in their tracks and persuade them to buy organic".

Mette Due Andersen
Sales and Marketing Director,
Danæg Products A/S

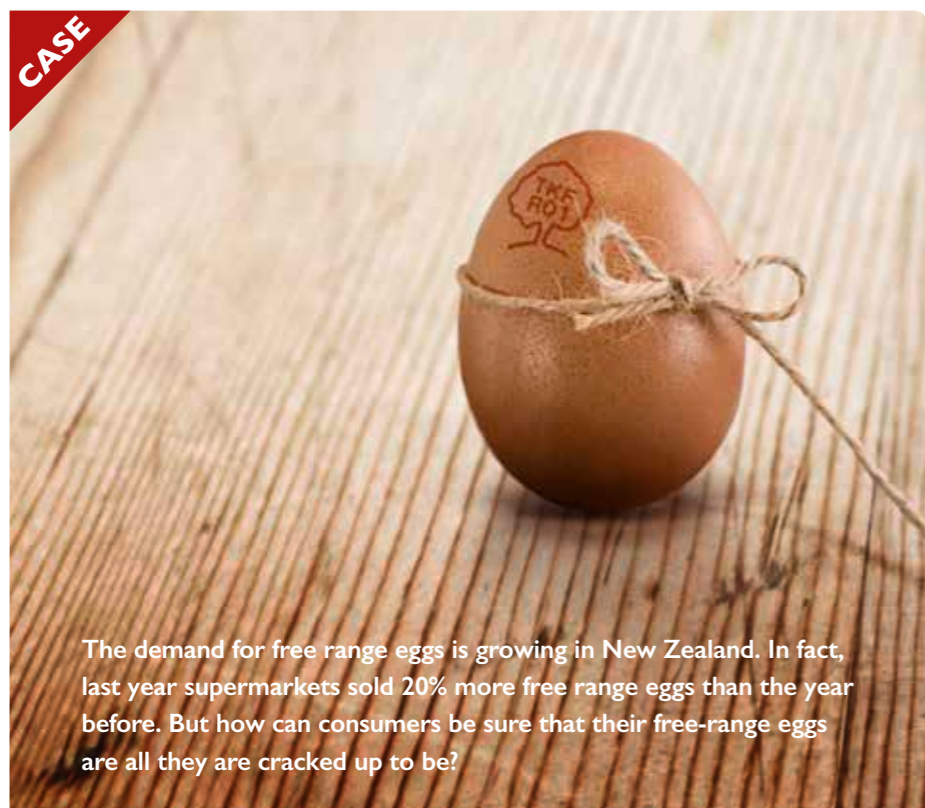
* Gesellschaft für Konsumforschung

standards laid out in the EU regulations for organic egg production. From the age of six weeks, chickens have all-year access to outdoor areas. And the barn must provide shelter and activation in the form of vegetation. Danæg was determined to capture this freedom on the new label design for its organic eggs. The result is nothing less than a complete makeover. The labels show caricatures of happy, free-range hens on a background of natural-looking, dusty colours. Flat, clean and playful, the style appeals to Scandinavian consumers with a conscience.

And the message is clear: organic is good for chickens – and it's good for you.

* A well-known US magazine promoting sustainability and good agricultural practices.

Woodland eggs get a stamp of authenticity



The demand for free range eggs is growing in New Zealand. In fact, last year supermarkets sold 20% more free range eggs than the year before. But how can consumers be sure that their free-range eggs are all they are cracked up to be?

According to Consumer NZ, an independent non-profit organisation, three out of four consumers buy free-range eggs at least some of the time, and for 28% of Kiwi shoppers, the only eggs they put in their supermarket trolley are free range.

Shoppers have to fork out almost twice the price of cage-produced eggs for free range. So, of course, they want to be sure that they are getting the genuine article. Woodland, New Zealand's leading producer of free-range eggs with over 20% of the market*, has the answer:

Egg stamping for traceability
Although stamping eggs with a code that identifies the farm of origin has been required by law in the European Union and Australia since 2012, there

New Zealand's happy place for hens



Hamish Sutherland
General Manager of Sales & Marketing, Zeagold Foods, a subsidiary of Mainland Poultry Ltd., the parent company of Woodland.

Under the shelter of birch, poplar and pine, Woodland hens are free to roam

the meadows of selected farms in New Zealand. Out and proud about the freedom they give their hens, Woodland believes this is reflected in the quality of the eggs their hens lay. And by and large, consumers agree with them.

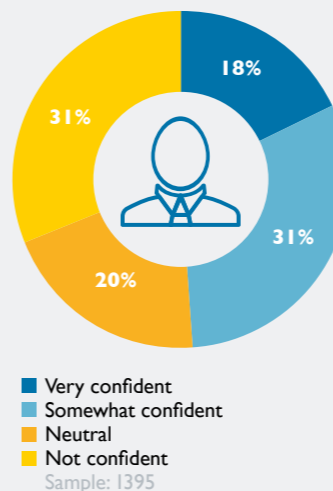
One glance at the moulded fibre egg carton gives you the clear picture of an egg producer that believes in free range with a passion. The company has invested heavily in creating a truly 'happy place' for hens, with uncompromising

free-range environments in farms all over the country. And they are keen for consumers to get the message.

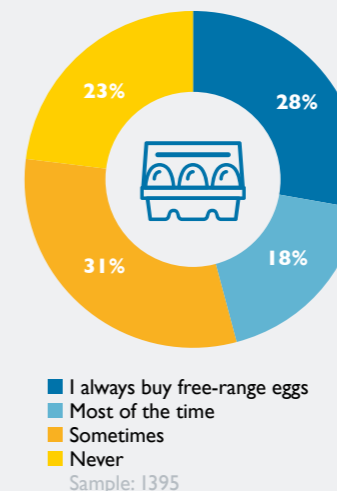
Hamish Sutherland is in no doubt about how Hartmann moulded fibre packaging supports the Woodland brand. "We value our long-term partnership with Hartmann who consistently enable us to deliver a quality, contemporary, stand-out brand. Woodland continues to go from strength to strength."

Consumer choices and expectations

How confident are you that eggs labelled as free range meet your expectations for what free range should mean?



In the past 12 months, how often have you bought free-range eggs?



Data from Consumer, NZ, July 2017

are no such laws in New Zealand. Woodland decided to take the initiative.

Since May last year, all Woodland free-range eggs have borne an individual stamp of origin. The stamp, printed with food-grade ink so it has no effect on the egg, shows the Woodland tree symbol along with an RMP (Risk Management Program) code. When consumers key the code into a text box on Woodland's website, they can trace the provenance of that individual egg. For consumers, this means that when they buy Woodland, they get individually stamped eggs that they can be 100% sure are authentic free-range eggs.

Transparency from farm to kitchen

Hamish Sutherland says that Woodland aims to provide complete traceability from the farm to the consumer's

kitchen. "The best way we can do this is to stamp each egg at the farm where it's collected so there can be no question that it is a genuine Woodland free-range egg".

By giving the consumer greater transparency into their egg production, Woodland can position themselves as a brand of free-range eggs on the New Zealand market that their customers can trust. And they have paved the way for future certification and legislation.



* Source: Aztec. Second quarter ending 8 July 2018



Peter High, Managing Director of High Marketing Ltd.

High Marketing down under

There is a good chance you will see Hartmann egg cartons down under – even though Hartmann has no production there.

For the last 18 years, Peter High has partnered with Hartmann to sell our moulded fibre egg cartons to customers in New Zealand and Australia under the name Eggpac.

With access to our entire European product range, Peter is our exclusive sales agent for the region, providing his egg producer customers with premium quality moulded fibre egg cartons. And he can also provide experienced graphic designers to design their labels and market their products. Peter explains his successful strategy, "My success is a by-product of my customers' success."

Selling eggs to sell egg cartons... among other things

Peter is a busy guy. He managed the successful 'Egg a Day OK' campaign in New Zealand and assisted with the formation of the Australian Egg Corporation Limited (AECL), the major marketer of eggs in Australia. He has been Chairman of the Marketing Committee for the International Egg Commission. His sales strategy has been outlined in universities and at marketing conferences worldwide. And he even offers guided tours of New Zealand from the pillion of his Harley Davidson.

CASE



Project leader Annalina Behrens with one of the rooster brothers she raised.

The rise of the rooster chick

Only hens lay eggs. So, shortly after birth, male chicks are separated from their female siblings and culled. But since 2012, German farming association Fürstenhof GmbH has been raising rooster chicks under the brand name 'haehnlein'.

Slaughtered after 120 days, haehnlein roosters are frozen and sold as organic poultry – brothers of the organic haehnlein egg-laying hens. The meat is darker and more aromatic than conventional fattened stock poultry, and the project has spawned a flock of delicious recipes along with a new range of eight new pre-cooked meal products.

The brand name haehnlein is an invented word which loosely translates as 'small rooster'.

'Rooster brothers' is developing into a new category. It satisfies a growing consumer interest in animal welfare products, which generate healthy trade margins and give marketers lots of opportunity to carry out attention-grabbing storytelling at point of sale. And to top it all, the haehnlein concept won the Best New Idea award run by German newspapers Agrarzeitung and Die Zeit in June 2018.



Think Ahead



Upcoming events

VIV China Nanjing, China
17-19 September 2018

World Egg Day Worldwide
12 October 2018

Australian Egg Forum
Scarborough, Western Australia
13-14 November 2018

EuroTier Hanover, Germany
13-16 November 2018

IPPE, International Production and Processing Expo Atlanta, USA
12-14 February 2019

VIV Asia Bangkok, Thailand
13-15 March 2019

IEC Conference Monaco
7-9 April 2019

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